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July 21, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following Record Requests:

From the Attorney General:

RR-AG-58

From the Department:

RR-DTE-49 RR-DTE-77 RR-DTE-78 RR-DTE-80

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)  
A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)  
Andreas Thanos, Assistant Director, Gas Division (1 copy)  
Alexander Cochis, Assistant Attorney General (4 copies)  
Service List (1 electronic copy)

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
RECORD REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 05-27

Date: July 21, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-AG-58: Explain the acronym "MNL" as used in response to AG-09-07. Also, explain how it differentiates interruptible sales in this response.

Response: The acronym "MNL" designates this class of customers as manually billed in the sense that the applicable customer daily rates and volumes are used to calculate bills on an Excel spreadsheet rather than in the Company's Customer Information System ("CIS"). The manual bill designation applies to those interruptible customers whose billings are calculated on spreadsheets and then entered into CIS.

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DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
RECORD REQUESTS FROM THE D.T.E.  
D.T.E. 05-27

Date: July 21, 2005

Responsible: Stephen H. Bryant, President

RR-DTE-49: Provide the number of Metscan devices that were installed on inside and outside meters by 2001.

Response: Attachment RR-DTE-49 is an estimate of the number of Metscan devices that were installed on inside and outside meters by 2001.

**Bay Stat Gas Company  
Estimate of Metscan Devices  
Located on Inside and Outside Meters By 2001**

	<b>Meters With Metscan Devices</b>	<b>% of Outside Meters</b>	<b>Outside Meters</b>	<b>% of Inside Meters</b>	<b>Inside Meters</b>
<b>Brockton</b>	109,948	75.4%	82,901	24.6%	27,047
<b>Springfield</b>	82,866	37.8%	31,323	62.2%	51,543
<b>Lawrence</b>	<u>35,109</u>	34.5%	<u>12,113</u>	65.5%	<u>22,996</u>
<b>Total</b>	<u><u>227,923</u></u>	55.4%	<u><u>126,337</u></u>	44.6%	<u><u>101,586</u></u>

Percentage estimates of outside/inside meter locations from Attachment AG-03-32 (b), page 11.

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RECORD REQUESTS FROM THE D.T.E.  
D.T.E. 05-27

Date: July 21, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-DTE-77: Identify any operational problems (e.g., pressure drops, pilot relights, etc.) caused by dual-fuel customers switching on and off the system over the past five years.

Response: The Company is unaware of any incidents where gas consumption of firm dual fuel customers caused operational problems.

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RESPONSE OF BAY STATE GAS COMPANY TO  
RECORD REQUESTS FROM THE D.T.E.  
D.T.E. 05-27

Date: July 21, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-DTE-78: Regarding production and storage revenue recovery through the CGA, please explain the meaning of over \$8 million of negative revenue in test-year GAF and why the per-book revenue show \$1,044,000.

Response: Bay State Gas is entitled to collect \$9,129,632 per year based on 12 months ending October of each year to recover Production and Storage revenue that is received (passed back) for the following Regulatory Assets:

- 1) Acct 182-18 Off-Peak production and storage demand.
- 2) Acct 182-48 Peak production and storage demand.

These revenues represent the portion of the revenue requirement of the Company's LNG and LP plants associated with the gas supply function, as well as dispatching and gas acquisition costs.

The amount of (\$8,152,043) in JAF 1-1, Line 16, Column 2, shows the actual revenue recoveries collected during the test year for these activities that are included in JAF 1-1 Lines 2 and 3 of Column 2. Bay State Gas under-collected \$1,044,497 during the test year from the entitled revenue amount, and therefore the \$1,044,497 was normalized on the books as revenue under account 495.27 in JAF 1-1 Line 16, column 1 (revenue entitled to recover but not yet billed). The sum of \$1,044,497 to be collected and \$8,152,047 already collected during the test year is different from the entitled amount of \$9,129,632 by \$66,908 in Line 16, Column 3 because the period of recovery (and associated reconciliation) in the test year is different from the 12 months ending October period associated with the recoverable amount of \$9,129,632.

Schedule JES 1-1, Line 16, column 7 shows the net flow through of \$9,129,632 of entitled annual revenue to be reflected in revenue requirement.

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Date: July 21, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

RR-DTE-80: Reconcile the sales volume discrepancy in Columns 2 and 4 on Sheet 6 with the total volumes on Sheet 10 of Schedule JAF-1-2, as referenced in DTE-17-06.

Response: The total sales (and transportation) volumes and revenues in Columns 2 and 4 on Sheet 6 are correct, in that these totals reflect the sum of the subtotals by rate class on Sheets 1 – 5. These sales total are also correctly added to the Transportation totals on Sheet 10, line 8, to present the correct Total Company Volumes (609,712,995 therms) and Revenue (\$474,918,261) on line 11 of Sheet 10. Therefore, there is no discrepancy in Columns 2 and 4 of Schedule JAF-1-2.